



ACQUISITION AND
TECHNOLOGY

THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-3010



SEP 26 2000

Mr. Rudy Schuhbauer
Project Director
Cost Accounting Standards Board
Office of Federal Procurement Policy
Office of Management and Budget
Washington, DC 20503

Dear Mr. Schuhbauer:

In response to the August 9, 2000, *Federal Register*, the National Contract Management Association hosted a series of public meetings conducted by the Director of Defense Procurement to obtain input of interested parties on how the Cost Accounting Standards (CAS) should be modified, clarified, or eliminated. This input was used to develop the enclosed plan describing how the CAS Board should proceed with its comprehensive review of the standards. The plan recommends public discussion meetings, with the use of industry and Government representatives to perform any necessary research and analysis. This approach provides the best opportunity to maximize the benefits that can be achieved from the comprehensive review.

The input provided at the public meetings was also used to develop the list of enclosed recommendations on key areas the CAS Board should consider in conducting its comprehensive review. The recommendations are provided in the format requested in the *Federal Register*. Consistent with the recommendations made by the CAS Board Review Panel, we have identified potential ways to simplify and streamline the standards in light of acquisition reform and experience. In general, we believe the standards and their related requirements can be streamlined by relying more upon commercial practices in those areas where there is not significant risk to the Government.



My office would be pleased to work with your staff on this matter in whatever way is most helpful. I would appreciate it if Ms. Deidre Lee, Director of Defense Procurement, were provided the opportunity to present our recommendations at the next CAS Board meeting.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. S. Gansler', with a stylized, cursive script.

J. S. Gansler

Enclosure:
As stated

cc: Dr. Kenneth Oscar
Dr. James Bedingfield
Mr. William Romenius
Mr. Eugene Waszily
Mr. William Reed